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S E C R E T SECTION 01 OF 02 SANAA 002205

NOFORN SIPDIS

DEPT FOR NEA/ARP AMACDONALD AND INR JYAPHE

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TAGS: PREL PTER MOPS PINS MASS PGOV YM

SUBJECT: IRANIAN-YEMENI RELATIONS STRAINED BY SA'ADA WAR

REF: A. SANAA 01995 _B. SANAA 02079 _TC. SANAA 01669

Classified By: Ambassador Stephen Seche for reasons 1.4(b) and (d).

11. (S/NF) SUMMARY. Iranian-Yemeni relations have deteriorated as Yemeni officials and ROYG media have repeated their suspicions of Iranian support for the Houthi rebels, including, but not limited to, support for an alleged Hizballah presence in northern Yemen (REF A and B). Attempts by Iran to deny involvement have proved fruitless as ROYG officials demand that Iran and its state-controlled media take an explicit stand against the Houthis. In its effort to win allies for its fight against the Houthis and ensure continued U.S. support for its CT forces, the ROYG is increasing its anti-Iran rhetoric and arguments that Iran is supporting the Houthis. END SUMMARY.

IRANIAN-YEMENI RELATIONS HEAT UP OVER SA'ADA

12. (C) As the Sa'ada conflict rages on, the ROYG has launched accusations of AQAP (REF C), Hizballah (REF A and B), and direct Iranian support for the Houthi rebels, causing a downturn in Iranian-Yemeni relations. ROYG officials continue to press their claims while failing to produce promised evidence of such Iranian involvement. Previous allegations of Iranian involvement were limited to vague allusions of "Iranian interference" to USG officials behind closed doors, and now as these allegations have become more public and widespread, Iran has stepped up efforts in official media and through diplomatic channels to deny any involvement in the Houthi rebellion or interference in Yemen's internal affairs. Iranian Foreign Minister Manuchehr Mottaki offered to personally visit Sana'a on two occasions to meet with Yemeni Foreign Minister Abubakr al-Qirbi to discuss bilateral relations and the possibility of Iran serving as a mediator between the Houthis and the ROYG; the ROYG rebuffed the offer and the visits never happened.

THIRD TIME'S THE CHARM...OR NOT

13. (C) An Iranian delegation led by Mottaki was originally scheduled to visit Sana'a the week of October 19, but the visit was cancelled by the ROYG with no official explanation except that "the President has other engagements." Rescheduling for the week of October 26, the visit was again delayed without explanation as tensions grew between Sana'a and Tehran. On November 15, Mottaki told Al-Jazeera that Iran harbored no ill will towards Yemen and hoped to offer mediation services to the ROYG during his visit. The ROYG rejected a third attempt on December 3 by Tehran to send a high-level delegation. (COMMENT: Offers by Iran to mediate between the ROYG and the Houthis in the Sa'ada conflict have

done nothing to assure the ROYG of Iran's good intentions. Any hint that the government of Iran has influence with the Houthis has actually helped to further convince the ROYG that Iran has ties to the Houthi rebels and aims to interfere in Yemen's internal affairs. END COMMENT.)

TIT FOR TAT

¶4. (C) On December 3, Al-Watan, an Arabic-language, Saudi newspaper, citing anonymous ROYG officials, reported that the latest visit was cancelled due to Iran's renaming of a street in Tehran's diplomatic area for Hussein Badr al-Din al-Houthi, a Houthi leader who was killed by ROYG forces in 2004, reinforcing Yemen's conviction that Iran is involved in supporting the Houthis. In retaliation, residents of Iran Street in Sana'a's diplomatic area petitioned that their street should be renamed Nada Sultan Street after a protestor who was killed in Tehran following Iran's presidential elections in June. The name was officially changed on December 3, thereby annulling the honor bestowed on former Iranian President Khatami when he inaugurated the street during an official visit to the Yemeni capital in 2003. In addition, protesters marched in Sana'a on November 25 calling for the ROYG to cut all ties with Iran and held a demonstration outside the Iranian embassy demanding the expulsion of the Iranian ambassador. Iranian-Yemeni relations have deteriorated so far that civilian medical institutions sponsored by Iran have been shut down in Sana'a. On October 18 the ROYG closed the Iranian hospital and on November 25 closed the Iranian medical center, which has been providing free medical services to Yemeni citizens for more

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than 15 years. Officials cited a "lack of financial transparency in the two institutions" as the reason behind the closures.

ROYG SKEPTICAL OF IRANIAN DENIALS

- 15. (C) Over the past months, Yemeni officials have changed their description of Iranian interference in Yemen from vague "destabilization efforts" or "meddling" to a more ominous claim that Tehran is actively supporting AQAP, the Houthis, and the Southern Movement, whether indirectly or through Hizballah (REF A). In Tehran, Mottaki denied any Iranian support to the Houthis. Ali Larijani, the speaker of Iran's Parliament, condemned Saudi involvement in what some Iranians see as Saudi Sunni aggression against a Shia minority in northern Yemen. "The deplorable events in the Islamic nation of Yemen, which have intensified over the past two weeks due to Saudi interference through repeated bombings by warplanes, is astonishing," said Larijani. Al-Watan, an Arabic-language news website based in Sana'a and known to support ROYG views, (NOTE: This publication is distinct from the aforementioned Saudi newspaper by the same name. END NOTE.) reported on December 3 that ROYG security forces dismantled a financial network funneling money from Iran to the Houthis through the Southern Mobility Movement and through Gulf contacts.
- 16. (C) At a security conference in Bahrain, Ali Mohamed al-Ansi, chairman of Yemen's National Security Bureau (NSB), told Al-Arabiyah news network on a televised interview on December 11 that Iran's stated neutrality is not enough and that "Iran should condemn this group (the Houthis). . .and take a clear stance similar to other countries in the region." Referring to recent Iranian media reports criticizing the ROYG's campaign against the "Shi'a minority" Houthis, Ansi called for Iran's media to cease its "harmful reporting that instigates this group to continue attacks." In a Reuters interview on December 12, Ansi asserted "There are signs, proof of Iranian interference, but we can't elaborate on these details to the media." When pressed for

supporting evidence for his accusations against Iran by Al-Masdar, a largely credible, Yemeni independent weekly, Ansi said that "the time is not ripe to disclose them."

17. (C) The topic of Iranian support to the Houthis dominated discussions at the Yemen-hosted annual Joint Staff Talks in Sana'a November 9-10. Brigadier General Ali Rasa, Chairman of the Yemen Coast Guard, argued that Iran is trying to extend its reach into Yemen and beyond to the Horn of Africa. "The Houthis receive a good deal of support from Iran, directly and through Hizballah, because Iran wants to establish a Shiite government in Sa'ada for the purpose of destabilizing the Arabian Peninsula," Rasa stated. The ROYG has previously alleged that AQAP has been cooperating with the Houthis (REF C) in the hopes of roping in American support for the ROYG in the Sa'ada conflict. They are now returning to claims of direct Iranian support to the Houthis, with BG Rasa calling U.S. demands for evidence "unnecessary, as the Iranian involvement is very clear to the bare eye."

COMMENT

18. (S/NF) As the ROYG becomes increasingly desperate to defeat the Houthis, it has intensified its accusations against Iran, hoping to solidify U.S. military support against a "common enemy." Furthermore, ROYG allegations of Iranian infiltration, assistance to the Houthis, and destabilization of Yemen have cropped up during U.S.-Yemen bilateral discussions on almost every issue. The injection of Saudi forces into the Sa'ada war has provoked the Iranian government to allege anti-Shi'a violence by Riyadh and Sana'a and has encouraged the ROYG in its allegations of Iranian interference in its internal affairs. Despite repeated requests by USG officials for concrete evidence of Iranian involvement, nothing conclusive has been provided. END COMMENT.

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